

Message Text

CONFIDENTIAL

PAGE 01 STATE 094134

65

ORIGIN EA-09

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 OIC-02 SIL-01 /134 R

DRAFTED BY DRAFTED:EA/J:DFSMITH:BCL

APPROVED BY D - RUTHERFORD POATS

EB - MR. KATZ

E-RSORENSEN

S/S - MR. ORTIZ

----- 124841

R 171942Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

INFO USMISSION GENEVA

USMISSION EC BRUSSELS

USMISSION USUN NY

C O N F I D E N T I A L STATE 094134

E.O. 11652: GDS

TAGS:EGEN,ECIN, JA

SUBJE-T: JAPANESE CONSULTATIONS ON UNCTAD IV

1. DEP FOREIGN MINISTER YOSHINO, ACCOMPANIED BY MIZOGUCHI AND MURAKAMI OF MFA AND EMBASSY REPS, MET WITH THE DEPUTY SECRETARY APRIL 15. DEP. ASST. SECRETARY KATZ, PLUS POATS AND FRANK OF E, ALSO PARTICIPATED IN MEETING. MR. ROBINSON INFORMED YOSHINO THAT HE WOULD ACCOMPANY THE SECRETARY TO THE UNCTAD MEETING AND LEAD THE US DELEGATION. YOSHINO INDICATED THAT HE WOULD STAY ON IN NAIROBI AFTER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 094134

KIMURA'S DEPARTURE TO LEAD THE JAPANESE DELEGATION.

2. THE DEP. SECRETARY SAID THAT THE US VIEWS THE UNCTAD MEETING AS A PART OF THE PROCESS OF DIALOGUE WITH THE LDC'S. IT IS AN OPPORTUNITY TO INFLUENCE THE ATTITUDE OF THE LDC'S IN DIRECTION AWAY FROM CONFRONTATION. UNCTAD IS NOT A FORUM FOR CONCRETE NEGOTIATIONS, AS THE CIEC COMMISSIONS SHOULD BE THE LOCUS OF NEGOTIATIONS OF A DEFINITIVE NATURE. UNCTAD IS INSTEAD A WAY OF GLOBALIZING FOR A SHORT PERIOD THE PROCESS OF DIALOGUE IN SUCH A MANNER AS TO REASSURE THE LDC'S THAT THEIR CONCERNS WILL BE DEALT WITH RESPONSIVELY WITHIN THE CIEC PROCESS. THE US OBJECTIVE IS TO

ENCOURAGE AN ATMOSPHERE AT UNCTAD IN WHICH NORTH-SOUTH ISSUES ARE DEALT WITH CONSTRUCTIVELY IN THE SPIRIT OF GLOBAL INTERDEPENDENCE.

3. WITH RESPECT TO SPECIFIC US PROPOSALS, MR. ROBINSON STATED THAT THE PROCESS OF NEGOTIATION IS STILL GOING ON WITH THE VARIOUS AGENCIES AND THAT CONSULTATIONS ARE PROCEEDING WITH THE CONGRESS. WHEN THIS PROCESS IS COMPLETED, THE US WOULD SHARE ITS DETAILED IDEAS WITH THE GOJ. ROBINSON THEN PROCEEDED TO OUTLINE US THINKING ON SIX PROBLEM AREAS WHICH US SEES AS MOST RELEVANT TO UNCTAD DELIBERATIONS:

(A) INVESTMENT IN RESOURCE DEVELOPMENT. POLITICAL RISKS IN THE LDC'S, COMBINED WITH THE INCREASING MAGNITUDE OF CAPITAL REQUIRED FOR NATURAL RESOURCE DEVELOPMENT, ARE DETERRING THE NORMAL FLOW OF PRIVATE SECTOR INVESTMENT IN THIS AREA. A WAY MUST BE FOUND TO ENCOURAGE PRIVATE FOREIGN INVESTMENT AND OTHER FORMS OF PARTICIPATION IN RESOURCE PROJECTS IN LDC'S. USG WILL MAKE SPECIFIC PROPOSALS.

(B) COMMODITY PRICE FLUCTUATIONS. WHILE OPPOSING LDC DEMANDS FOR A COMMON FUND AND INDEXATION, THE DC'S SHOULD BE RESPONSIVE TO G77 CALLS FOR COOPERATION IN THE COMMODITY AREA. GIVEN THE SYNCHRONIZATION OF BUSINESS CYCLES, COMMODITY PRICE FLUCTUATIONS HAVE INCREASED INVOLATILITY AND IT IS IN THE INTEREST OF BOTH PRODUCER AND CONSUMER COUNTRIES TO MODERATE THIS FLUCTUATION

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 094134

IN THE INTEREST OF RATIONAL DEVELOPMENT OF NATURAL RESOURCES.

(C) TRANSFER OF TECHNOLOGY. CONCRETE STEPS ARE NECESSARY TO HELP LDC'S IN THE DEVELOPMENT OF HUMAN RESOURCES SO THAT THEY MAY GAIN THE CAPACITY TO USE AND ADAPT TECHNOLOGY.

(D) NTB'S. WORKING PRIMARILY THROUGH THE MTN AND GATT, THE INTERNATIONAL COMMUNITY SHOULD WORK TO ELIMINATE NON-TARIFF BARRIERS WHICH DISCOURAGE LDC PROCESSING OF PRIMARY MATERIALS.

(E) BALANCE OF PAYMENTS. THE US VIEWS THE LDC DEBT PROBLEM AS SERIOUS, BUT CONSIDERS THAT IT SHOULD BE CONSIDERED AS ONE ASPECT OF OVERALL BALANCE OF PAYMENTS DIFFICULTIES. A SATISFACTORY APPROACH TO THE DEBT ISSUE MUST ALLOW FOR AND ENCOURAGE CONTINUED ASSISTANCE BY COMMERCIAL BANKS IN FINANCING BALANCE OF PAYMENTS DEFICITS.

(F) FOOD. THE LDC'S REQUIRE ASSISTANCE IN EXPANDING THEIR FOOD PRODUCTION CAPABILITY.

4. YOSHINO INDICATED FULL PERSONAL SUPPORT FOR THESE VIEWS, BUT QUESTIONED WHETHER GROUP B PROPOSALS IN THESE AREAS WOULD BE SUFFICIENT TO INDUCE THE G77 COUNTRIES TO DROP THEIR INSISTENCE THAT AT LEAST SOME ELEMENTS OF THE INTEGRATED PROGRAM SHOULD BE ACCEPTED BY THE DC'S. HE ASKED WHETHER IT WOULD NOT BE USEFUL TO PROMISE TO STUDY THE COMMON FUND IDEA FURTHER AS A POSSIBLE EVENTUAL APPROACH TO THE PROBLEM. KATZ EXPRESSED DOUBT THAT THE LDC'S WOULD BE SATISFIED WITH PROMISES OF FURTHER STUDY SINCE THE SEVENTH SPECIAL SESSION HAD INDICATED THAT THERE WOULD BE A DECISION ON THE COMMON FUND AT NAIROBI. HE SAID HE BELIEVED IT WOULD BE HARMFUL NOT TO BE FRANK, SINCE THE US COULD NOT ACCEPT THE COMMON FUND CONCEPT.

5. IN RESPONSE TO YOSHINO'S INQUIRY WHETHER THE US INTENDED FURTHER INITIATIVES WITH RESPECT TO COMPENSATORY FINANCING SCHEMES, THE DEPUTY SECRETARY SAID THAT THE US WOULD OUTLINE AT UNCTAD WHAT IT BELIEVED HAD BEEN ACHIEVED

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 094134

AT THE JAMAICA IMF MEETING, BUT THAT THE MAIN THRUST OF THE US PRESENTATION WOULD BE ON COMMODITY ISSUES,

ASKED ABOUT THE JAPANESE POSITION ON ENLARGING THE TRUST FUND, YOSHINO SAID THAT THE GOJ WISHES TO SEE HOW THE KINGSTON AGREEMENT WORKS OUT IN PRACTICE. BOTH SIDES AGREED THAT PRESENT TRUST FUND IS TOO SMALL. YOSHINO INDICATED THAT THE GOJ IS GIVING CONSIDERATION TO THE IDEA OF A GRANT TO LEAST DEVELOPED COUNTRIES FROM AN ENLARGED TRUST FUND.

6. YOSHINO PROBED US POSITION ON HANDLING LDC DEBT. MR. ROBINSON RESPONDED THAT WE OPPOSE A DEBT MORATORIUM OR BLANKET RESCHEDULING, BUT BELIEVE THAT RESPONSIVENESS TO LDC CONCERNS ABOUT THIS ISSUE IS IMPORTANT. HE SUGGESTED THAT GUIDELINES COULD PERHAPS BE DEVELOPED WITH-

IN THE CIEC. HE SAID THAT THE US WOULD STRESS GENERAL BALANCE OF PAYMENTS CONSIDERATIONS RATHER THAN DEBT ALONE, BUT WOULD NOT IGNORE THE DEBT ISSUE.

7. COPPER AND RUBBER. RESPONDING TO YOSHINO'S QUESTIONS ABOUT SPECIFIC COMMODITIES, KATZ SAID THAT US WAS PLEASED WITH THE GENEVA MEETING OF THE CONSUMER-PRODUCER GROUP FOR COPPER, WHICH HAD FOCUSED ITS EFFORTS ON UNDERSTANDING THE STRUCTURE OF THE INDUSTRY AND ITS PROBLEMS. PAR; OF THE PROBLEM FOR THE US STEMS FROM THE FACT THAT A LARGE PORTION OF THE SUPPLY COMES FROM SCRAP. THUS DURING THE MOST RECENT DECLINE IN DEMAND THE US AND CANADA ABSORBED A BIGGER BURDEN OF ADJUSTMENT THAN CIPEC, CUTTING PRODUCTION BY 20 PERCENT WHILE CIPEC PRODUCTION DROPPED 15 PERCENT. KATZ SAID THAT IT MAY BE DESIRABLE TO SET UP THE COPPER FORUM OUTSIDE THE UNCTAD FRAMEWORK, AS THE UNCTAD SECRETARIAT HAS PERFORMED ITS DUTIES BADLY. WITH REGARD TO NATURAL RUBBER, THE PROBLEM OF SUBSTITUTION OF SYNTHETICS HAS DIMINISHED SOMEWHAT BECAUSE THE PRICE DIFFERENTIAL HAS BEEN REDUCED BY THE INCREASE IN PETROLEUM PRICES. THE PRODUCERS CLAIM TO HAVE A BUFFER STOCK PLAN READY FOR PRESENTATION, BUT INDONESIA APPEARS TO BE DRAGGING ITS FEET.

8. YOSHINO SAID THAT FOREIGN MINISTER MIYAZAWA IS CONCERNED THAT THE SECRETARY'S SPEECH AT UNCTAD MIGHT UNCONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 094134

VEIL A NEW "SECRET WEAPON" WHICH WOULD CATCH THE GOJ BY SURPRISE. ROBINSON SAID HE COULD REASSURE MIYAZAWA THAT ANY PROPOSALS FEREED BY THE US WOULD BE CONSISTENT WITH THE ABOVE DISCUSSION. HE ASSURED YOSHINO THAT IT IS THE US INTENTION TO WORK CLOSELY WITH JAPAN AND THE EC IN THE REMAINING PERIOD BEFORE UNCTAD. HE POINTED OUT THAT THE US DELEGATION WOULD BE IN NAIROBI 3-4 DAYS BEFORE THE BEGINNING OF THE CONFERENCE, A PARTICULARLY OPPORTUNE TIME TO FIRM UP UNDERSTANDINGS ON THE ISSUES WITH JAPAN AND THE EC. HE SAID THAT DEP. ASST. SECRETARY BOEKER WOULD BE IN CLOSE TOUCH WITH THE JAPANESE IN NAIROBI. ROBINSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, DIPLOMATIC DISCUSSIONS, MEETING DELEGATIONS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE094134
Document Source: CORE
Document Unique ID: 00
Drafter: EA/J:DFSMITH:BCL
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760147-0223
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760449/aaaabpkh.tel
Line Count: 212
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2004 by ShawDG>; APPROVED <16 SEP 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: -T: JAPANESE CONSULTATIONS ON UNCTAD IV
TAGS: EGEN, ECIN, JA, US, UNCTAD
To: TOKYO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006